# Reedham Parish Council

Financial Risk Assessment

**For Year ending 31 March 2023**

**Introduction**

The Accounts and Audit Regulations (1996, 2003 and 2006) require all local councils to carry out an annual assessment of the financial risks within the organisation. The Parish Council is expected to identify any actions it considers necessary to minimise those risks.

The following table, prepared by the Clerk for June 2022, attempts to identify the risks involved and recommends the necessary actions. Possible Parish Council actions are shown in Bold/italics:

The current insurer is Royal Sun Alliance through Business Services at CAS Ltd. The policy renewal date is 1 June 2022/1 June 2023.

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| **Financial Area** | **Risk** | **Recommendation** |
| Insurance | Public Liability (statutory) | Cover £10m for any one event  |
| Insurance | Employers Liability (statutory) | Cover £10m for any one occurrence, £5m for any one event arising out of Terrorism |
| Insurance | Hirers’ Liability/Indemnity | Cover £2m |
| Insurance | Libel and Slander by Councillor or Clerk | Cover £250,000 for any one period of insurance |
| Insurance | Officials Indemnity | Cover is £1m |
| Insurance | Money | Money in transit £2,000, money on premises in safe £2,000, money in employees or Council members residence in safe £500, money in employees or Council members residence out of a safe £250, non-negotiable money £250,000.  |
| Insurance | Fidelity Guarantee | All Members and Employees £50,000 – Monitor amount of bank account and reserves held and maintain sufficient cover amount of reserve each year**.**  |
| Insurance | Personal Accident | Cover is maximum £5m per person and/or accident. Temp disablement £1,000. Death in service £500,000.  |
| Insurance | Legal Defence Costs | Cover is £250,000  |
| Insurance | Legal Expenses | £100,000 for any one event, maximum £1m for the period of cover |
| Insurance | Property | Not applicable |
| Insurance | Cover not maintained as required | Continue to review annually |
| Insurance | Loss of revenue No claims bonusBusiness interruption | £10,000 12 months indemnity periodnot coveredIncrease cost of working £10,000 12 months indemnity period |

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| **Financial Area** | **Risk** | **Recommendation** |
| Payroll | Loss of data on PC due to system fault | Back up data on monthly basis Continue to use HM Customs and Revenue software (free)Continue to regularly obtain up to date versions at each budget and tax year |
| Payroll | Loss of services of Parish Clerk or casual staff | Immediately advertise any vacancy (if permanent loss) and request help from remaining employees/councillors to cover temporary loss |
| Administration | Payment arrangements | Continue with requirement to report all payments to Parish Council for approval Invoices presented for payment are checked by a member of the Council. Requirement for the Chairman to sign the Payment Schedule. Record on Minutes the amount on payments schedule. Previous month’s payments are checked against the schedule and bank statement and initialled by member. |
| Administration | Reconciliation | At least a quarterly bank reconciliation reported to full Council. |
| Administration | Agency advice | Continue with memberships of Norfolk Association of Local Councils (NALC – Norfolk ALC)Review the possibility annually of membership of SLCC and CAN. |
| Play Areas | Loss of use of play equipment | Continue with regular maintenance and play area safety checks and take unsafe equipment out of service until repairs are carried out.  |
| Precept | Annual precept not the result of proper detailed consideration  | Continue to commence preparation of budget in October of each yearContinue to present budget for Parish Council approval by no later than December each year. |
| Precept | Inadequate monitoring of performance | Continue with quarterly budget monitoring report and other reports provided by RFO  |
| Precept  | Illegal expenditure | Continue to ensure that all expenditure is within legal powers.Review and refer to adopted Financial Regulations and Standing Orders |

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| **Financial Area** | **Risk** | **Recommendation** |
| Accounting | Non-standard and/or non-compliant records kept | Continue to require adequate, complete and statutory financial records and accounts |
| Accounting | Non-compliance with statutory deadlines for the completion/approval/submission of accounts and other financial returns | Continue to ensure that all accounts and returns are completed and submitted by the deadlines |
| Accounting | Non-compliance with internal audit requirements | Continue to appoint internal auditor to audit accounts on at least a 6 monthly basis |
| Section 137 items | Overspend and incorrect monitoring | Continue to clearly identify S137 amounts separately in minutes and in cash book. |
| Contracts | Ensure continued value for money coupled with continuity of work | Approve the practice of seeking tenders for over £25,000. Advertising in local press and issuing specifications and tender documents to contractors expressing an interestTenders to be opened in the presence of at least one Member and Clerk and reported to next available Council meeting**Seek to obtain 3** quotes for large expenditure generally |
| Banking | On-line banking fraud, scams etc | Continue to make use of recognised internet protection software and security procedures. Install updates at all times when prompted. |

Agreed by Reedham Parish Council at the Annual Parish Council Meeting held on: ……6th June 2022…………………………………………………

Signed:………David Hale……………………………………………… Chairman of Reedham Parish Council

Next Review Date: June 2023